Theme: Trade
Session: ThB2 - How effective are antidumping and countervailing duties at achieving their goal? The case of seafood trade.

Title: The Southeast U.S. Shrimp Industry and Requests for Relief from the Increasing Import Base

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Abstract: The Southeast U.S. shrimp harvesting sector is one component of the shrimp industry that has generally been unable to make the adjustments needed in response to the growing import base and the resulting suppression in prices. Not unexpectedly, therefore, requests for relief from the perceived problems associated with increasing imports have historically originated from the processing sector. As exporting countries have increasingly turned to value-added processing activities, however, some components of the domestic shrimp processing sector have also found it increasingly difficult to adjust to the increasing and changing import base. As a result, a coalition of harvesters and processors (called the Southern Shrimp Alliance), on December 31, 2003, filed a petition with the United States International Trade Commission (USITC) and the Department of Commerce alleging that the industry was materially injured and threatened with material injury by reason of "less than fair market value" imports originating from six countries - Thailand, China, Vietnam, India, Ecuador, and Brazil. The petition, the largest of its kind with respect to seafood, contended that named countries were underselling shrimp in world markets by up to 200% and asked for remedy in the form of duties. In January, 2005, the USITC made a final determination that domestic shrimp fisherment were being injured, allowing for collection of anti-dumping duties. This paper examines (a) the circumstances leading to the Southeast shrimp industry's request for relief, (b) the final determination regarding assessed duties relative in the industry request, (c) changes that have occured in the U.S. import market as a result of the duties, and (d) an analysis as to whether the imposed duties have helped to achieve the goal of enhancing profitability in the domestic shrimp industry.